



**State of Louisiana**  
DIVISION OF ADMINISTRATION

**OFFICE OF STATE UNIFORM PAYROLL**

M. J. "MIKE" FOSTER, JR.  
GOVERNOR

February 1, 2002

MARK C. DRENNEN  
COMMISSIONER OF ADMINISTRATION

**OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2002-42**

**TO:** All ISIS HR Paid Agencies

**FROM:** Jena W. Cary  
Director

**SUBJECT:** Increase to Deferred Compensation and Tax Shelter Annuity Limits  
for Calendar Year 2002

For calendar year 2002, the limitation on deferrals under §457(e)(15) of the Internal Revenue Code (457S and 457R) has changed from \$8,500 to \$11,000 per year or 50% of the salary (Gross minus Retirement contribution minus CAFÉ), whichever is less. This limit has been increased to \$12,000 for employees age 50 or over. The catch-up limit has changed from \$15,000 to \$22,000 per year for those contributors who are within three years of retirement but not in the year of retirement.

For calendar year 2002, the limitation on the exclusion for elective deferrals under §403(b) of the IRS code [IT014 403(b) deductions] has changed from \$10,500 to \$11,000. This limit has been increased to \$12,000 for employees age 50 or over. Other limits may apply based on certain allowable elections made by the employee. Refer to the employee application or contact the vendor to determine if an employee is exercising an allowable election.

Agencies are responsible for monitoring employee contribution amounts throughout the year to avoid employees exceeding the annual limits. The following two reports are available in ISIS HR to aid in the monitoring of balances:

ZP68	Deferred Comp/Dependent Care Balances Monitor Report
ZP119	403(b) Contributions Balance Report

Agencies should contact LA Deferred Compensation Plan on questions regarding §457 deductions. Information pertaining to these changes is posted on LA Deferred Compensation's website ([http://www.louisianadcp.com/employer/updates\\_cont.html](http://www.louisianadcp.com/employer/updates_cont.html)). Agencies should contact the individual vendor on questions regarding 403(b) deductions. Agencies can also visit the IRS website (<http://www.irs.gov>) for more information about deferrals and tax shelters. Direct all other questions to a member of the OSUP Wage and Tax Administration Unit.

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JWC:APH:kmb